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CENTRAL INTELLIGENCE GROUP  
INTELLIGENCE REPORT

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COUNTRY Germany (Russian Zone)

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SUBJECT The Maximilianshütte in Unterwellenborn

DIST. 18 July 1947

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25X1XThis document is hereby regarded to  
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letter of 16 October 1973 from the  
Intelligence to the

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1. The Maximilianshütte in Unterwellenborn (J63) near Saalfeld, Thuringia, is the only Gemischthüttenwerk (foundry complete with its own mine for ore supplies) in the Russian Zone and must satisfy the entire raw iron demand not covered by imports from the western zones. The foundry was constructed from 1870 to 1873 and was extended in 1928 to 1930 to include an electrical factory (Elektrowerk), a Thomas steel factory, and a rolling mill for section iron and bar iron. Production covers raw iron, raw steel, section steel, and rod steel of large dimensions such as T-beams, U-iron, section iron girders, standard gauge rails, rails for mines, pressed pieces, and forged pieces.
2. Ore for the works comes from three near-by mines: Kamsdorf (J63), Schmiedefeld (J42), and Wittmannsgereuth; the proportion of iron in the ore is 28 to 30 per cent, which can be increased to 30 per cent by roasting. The Wittmannsgereuth deposit, which was opened in 1940, shipped ore to the Rhein-Westfalen industrial area until the latter part of the war; in 1944 its production began to go to Maximilianshütte.
3. Ore production, in tons, from 1933 to 1946 was as follows:

	Kamsdorf		Schmiedefeld		Wittmannsgereuth	
Year	Crew	Ore (Tons)	Crew	Ore (Tons)	Crew	Ore (Tons)
1933	26	27,200	82	54,491		
1934	45	31,200	194	61,293		
1935	77	98,700	284	256,024		
1939	122	154,300	413	273,000		
1944	120	189,900	350	207,900	140	28,442
1945	80	17,500	105	26,000	14	4,100
1946	112	102,000	414	34,251	84	16,249

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4. Year	Raw Iron (Tons)	Rolled Products (Tons)	Total Gross
1933	Not available	2,221	Not available
1934	" "	38,107	" "
1935	" "	83,707	" "
1936	" "	120,947	1137
1937	231,356	180,211	1200
1938	231,442	183,571	<u>CONFIDENTIAL</u>
1939	231,923	187,085	1526
1940	228,941	183,321	1549
1941	215,983	176,344	1484
1942	221,194	161,549	1672
1943	254,640	169,857	1762
1944	150,435	174,235	1611
1945	No figures available for the period 1 January to 8 May 1945		
1946	82,800	62,000	3000 to 3500

5. Production in 1946 included the two following sub-sections:

Quarter	Pig Iron (Tons)	Pressed and Forged Pieces (Tons)
First	1,700	40
Second	2,700	55
Third	3,700	130
Fourth	<u>6,400</u>	<u>380</u>
Total	13,500	605

6. Maximilianshütte was a Soviet AG from 1 August 1946 to 1 March 1947, when it was returned to Land Thuringia by SMA. Before its expropriation, the firm had losses of 3,083,475 RM from February to August 1946. In the Soviet AG period, it lost 12,211,475 RM; the average monthly loss of 1,137,565 RM for August to December 1946 increased to 1,419,951 RM in January 1947. An additional loss of 1,814,579 RM occurred in March and April 1947, since advance payments made by various firms for deliveries of those two months' production were collected by the Soviet AG and not reimbursed. The works received credits amounting to 8,000,000 RM from Land and Thüringen, 4,500,000 RM from the Hauptverwaltung Weissensee and 2,500,000 RM from the Garantie-und-Kreditbank.

7. The increased monthly average cost prices per ton of ore, raw iron, and raw steel are shown in the accompanying table:

Works	1943-1944	Aug-Dec 1946	Jan 1947
Kamsdorf Mine	2.69 RM	3.88 RM	4.01 RM (ore)
Wittmannsgereuth Mine	10.77 RM	17.93 RM	19.21 RM (ore)
Schmiedefeld Mine	6.23 RM	9.77 RM	10.10 RM (ore)
High furnace works	61.10 RM	123.21 RM	153.20 RM (raw iron)
Thomas steel works	79.85 RM	172.51 RM	213.46 RM (raw steel)

8. The production plan for Maximilianshütte in 1947 includes the following (in tons):

Thomas pig iron	165,000	Half-wrought material	48,510
Foundry iron	31,900	Section steel (Formstahl)	78,500
Steel and spiegel iron	3,600	Rails (Schienen)	14,000
Thomas raw steel	136,900	Press and forged pieces	5,500
Electro-raw steel	22,900		

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9. Under the Soviet AG, Maximilianshütte received a favorable allocation of production materials. Since its return to Thuringian control, amounts of such essentials as coke and copper have been greatly reduced, and production is endangered. More serious difficulties arise from the neglect of necessary repairs and replacements during and since the war, as for example the blast furnace gasometer, which was damaged by a bomb and is still unrepared. Many machine installations such as electrodes, pneumatic drill hammers, cast iron moulds, and spare parts for gas generators, high furnace blowing engines, and rolling mill engines cannot be obtained in the Russian Zone, and attempts to substitute for them have been unsuccessful. Iron moulds made from scrap, for example, cost 5000 RM each and are good for only 20 casts, as opposed to the normal 60, and bearings of pressed material from Spremberg and Sonneberg are of inferior quality and little durability.

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